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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In the Matter of

North American Numbering Council
Recommendations Regarding Local
Number Portability Administration

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CC Docket No. 95-116

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

COMMENTS OF WORLDCOM, INC.

WorldCom, Inc. ("WorldCom") hereby files its comments in response to the Public Notice released by the Commission on May 2, 1997 in the above-captioned proceeding. The Commission seeks comments on the local number portability ("LNP") recommendations adopted by the North American Numbering Council ("NANC") in its April 25, 1997 report by the Local Number Portability Administration Selection Working Group ("NANC LNP Recommendation").

I. INTRODUCTION AND SUMMARY

WorldCom is a premier global telecommunications company, providing its customers with facilities-based and fully integrated local, long distance, international, and Internet services. WorldCom is the fourth largest facilities-based interexchange carrier ("IXC") in the United States. Following its merger with MFS Communications on December 31, 1996, the new WorldCom now includes the largest facilities-based competitive local exchange carrier ("CLEC") in the United States, and UUNET Technologies, Inc., the world's largest Internet service provider ("ISP"). WorldCom's unique blend of telecommunications and information services, and its dual relationship as both large customer and significant competitor to the ILECs in several different markets, gives WorldCom a unique perspective on telecommunications

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policy. As a result, the new WorldCom approaches policy issues not as a stand-alone IXC, or CLEC, or ISP, but rather as a company situated at the center of the rapidly-developing convergence of these and other market segments.

As explained further below, WorldCom strongly supports the NANC LNP Recommendation. The proper implementation of local number portability is absolutely paramount to the development of actual, effective, and lasting competition in the local exchange market. The specific proposals advanced by the NANC can help form the foundation for such competition to develop. WorldCom urges the Commission to adopt the NANC LNP Recommendation expeditiously.

II. WORLDCom STRONGLY SUPPORTS THE COMMISSION'S ADOPTION OF THE NANC RECOMMENDATIONS ON LOCAL NUMBER PORTABILITY

WorldCom is a staunch advocate of the open and equitable process by which NANC debated and then arrived at its recommendation on LNP administration issues. WorldCom is represented on both the LNPA Selection Working Group and the LNPA Technical and Operational Requirements Task Force, and can appreciate first-hand the great success of the NANC's decisionmaking by industry consensus. WorldCom is also a member of each of the 7 regional limited liability companies ("LLCs") and can vouch for the debate and consensus/voting processes employed by the LLCs to reach decisions in a competitively neutral manner. Overall, the inclusive policies employed by the NANC, LNPA Working Group and

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the LLCs have well served the public and industry.

WorldCom would remind the Commission, however, that the process of implementing LNP, while advanced significantly by the NANC recommendation, is far from complete. Among other outstanding issues, the Commission still must issue rules governing recovery of long-term LNP costs. In addition, the Commission must address the issue of cost recovery for carriers supporting the operations of the regional LLCs.

By rough estimate, carriers such as WorldCom have spent collectively *at least* \$750,000 to date contributing to the work of the LLCs. Moreover, carriers have also provided equally significant in-kind contributions for meeting room facilities, legal assistance, and a host of other administrative services. Substantial sums of money remain to be spent on an ongoing basis for these and other types of expenses, by the carrier members of the LLCs. Further, the vendors, the local number portability administrators ("LNPAs"), have incurred costs in the development of LNP database systems and are eager to seek compensation from users. To avoid costly disputes, unnecessary delays, and ad-hoc, inequitable results, the Commission must adopt competitively neutral cost recovery rules that govern both the LLC expenses and LNP expenses, and unambiguously establish what types of costs and the fashion in which they can be recovered.

WorldCom notes that both the LNPA Working Group, in its report to the NANC, and then the NANC itself, reviewed thoroughly the operations and practices of LLCs. In so

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doing, the concept of competitive neutrality was held as a strict standard by which LLC activities were measured. In the report, certain practices were examined, such as the standard User Agreement.

WorldCom applauds the concept and the practice of standard User Agreements in which the terms, conditions, and prices for such LNP services are the same for all customers, LLC member or non-LLC member. These standard User Agreements, however, may accommodate engineering or technical modifications to suit particular network structures so long as other users are not placed at a competitive disadvantage, thereby contributing to competitive neutrality in services obtained from the LNPA. WorldCom urges the Commission to recognize and require such competitive neutrality in User Agreements through uniformity of terms, conditions, and prices and to require such competitive neutrality in all areas of LNP implementation and deployment. LNP service development, implementation and management is not to be used as a tool to gain market advantage by one carrier against another or by one class or type of carrier against another.

That said, WorldCom strongly supports the substance of the NANC LNP Recommendation. WorldCom believes that NANC has fulfilled all of its various mandates from the FCC, including to select as an LNPA "one or more independent, non-governmental entities

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that are not aligned with any particular telecommunications segment...."¹

In particular, WorldCom agrees with the NANC that regional limited liability companies supervised by the Commission offer "the optimal means" and "the most advantageous organizational form" for conducting LNP administrative activities, and therefore are "best suited to accomplish all objectives and simultaneously conform to the Criteria."² WorldCom also supports the NANC's recognition that LLCs "facilitate the management of financial risk in a competitively neutral manner" so that no one entity is subject to (or immune from) a different type or degree of liability than any other entity.³ Yet, ratepayers, regulators, and the industry itself all are protected from the risks which are borne by the LLCs. As the proper vehicle for entities to contract for LNP services, LLCs should not be undermined in their operations by third parties that, for whatever reason, decide not to join LLCs and participate in the approved LNP process.⁴

¹ Telephone Number Portability, First Report and Order and Further Notice of Proposed Rulemaking, CC Docket No. 95-116, July 2, 1996, at paras. 93-95 ("LNP Order").

² NANC LNP Recommendation at para. 4.3.2.

³ NANC LNP Recommendation at para. 4.4.8.

⁴ As the Commission likely is aware, Bell Atlantic is the only one of the Regional Bell Operating Companies ("RBOCs") to refuse to join the appropriate LLC -- the Mid-Atlantic Carrier Acquisition Company ("MCAC") in this instance. Instead, Bell Atlantic has sought authorization from the Maryland Public Service Commission to become involved in the LNP vendor negotiations without actually becoming an MCAC member and bearing responsibility and liability for its actions. To the extent any such arrangement is adopted,

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On specific recommendations, WorldCom offers the following comments:

Recommendation 6.2.4

o WorldCom supports the recommendation that the NANC approve the vendor selections made by the regional LLCs for their respective regions. The selection of two different vendors in seven different regions offers an important element of diversity and competition, and provides critical backup capability should one of the vendors suffer network problems or otherwise fail to perform adequately.

Recommendation 6.3.4

o For the reasons articulated above, WorldCom supports the selection of two different vendors as crucial to diversity and competition.

Recommendation 6.4.4

o WorldCom supports adoption of the process used to make LNPA vendor selections.

Recommendation 6.5.4

o WorldCom supports adoption of the duties outlined in the Architecture and Administrative Plan for LNP, as well as the requirements defined in the Functional Requirements Specifications ("FRS") and the Interoperable Interface Specifications ("IIS").

and would interfere in any way with the proper functioning of MCAC, WorldCom urges the FCC to intervene and apply the full spirit of the NANC Recommendation on this critical point.

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While not perfect in every detail, these documents were created after input from all interested parties, and generally reflect a satisfactory consensus position by the NANC.

Recommendation 6.6.4

o WorldCom supports adoption of the recommendations concerning geographic coverage for LNP, including the seven region structure with each selected LNPA developing one NPAC SMS in each region or combining such NPACs into centralized systems as appropriate. While the option to allow merging regional LLCs should not be precluded where warranted by economies and efficiencies of scale, the seven region structure lends itself to a greater degree of manageability as the LNP policy is implemented and technical and operational issues are identified and resolved. Localized problems can also be more readily addressed as they arise in a regional system.

Recommendation 6.7.4

o WorldCom supports the adoption of the various technical and operational documents described in the Recommendation.

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III. CONCLUSION

The Commission should adopt the NANC's recommendations on administration of LNP.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "R. S. Whitt" followed by "A. F. La Lena", written over a horizontal line.

Richard S. Whitt
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CERTIFICATE OF SERVICE

I, Cecelia Y. Johnson, hereby certify that I have this 2nd day of June, 1997, sent a copy of the foregoing "Comments of WorldCom" by hand delivery to the following:

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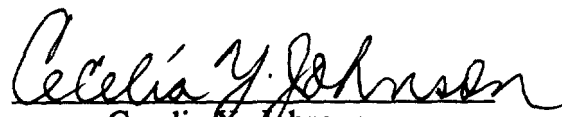
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